

Small Rural Districts Aid Program Proposal

Issue

Many of the state's small, rural districts face a similar set of issues that include a lack of economies of scale, declining enrollment, rapidly rising property values, low median income, and large geographic boundaries. While certain specific district situations have been highlighted recently (i.e. Florence School District), many of our state's rural districts face more challenging circumstances each year. Further, a greater percentage of rural districts (than opposed to urban or suburban) are experiencing declining enrollment, which has further exacerbated issues related to their size and ability to maintain their core educational programs.

Proposal

Create a new state-funded categorical aid program that provides funding to small, rural districts that meet certain eligibility criteria (size, sparsity and poverty) and use the funds for locally-determined purposes.

Impact

- The proposal would direct state categorical aid to certain small, rural districts and provide them with additional funding they could use for locally-determined purposes.
- The proposal would provide \$300 per pupil for each eligible district.
- Eligible districts would have to report back to their local communities on the use of these funds each year.
- Eligible districts could use the funds for any purpose, including:
 - addressing budgetary concerns;
 - efforts to close the achievement gap;
 - implementation of new teacher mentoring efforts/programs; and
 - studying the consolidation of services.

State/Local Fiscal Effect

- The estimated state cost of the proposal would be approximately \$18-20 million General Purpose Revenues (GPR) annually; however, this figure could vary depending upon the number of eligible districts and the total number of children in those districts.
- There would be no direct local fiscal effect; however, to the extent new state aid would assist in addressing certain costs currently incurred under revenue limits, districts would have funds "freed up" to use for other purposes (i.e. classroom).